State of California   **Employment Training Panel**

M e m o r a n d u m

To:	Panel Members	Date:	October 24, 2002
From:	Ron Tagami, Manager Peter DeMauro, General Counsel	Analyst:	S. Lipkin

Subject: Proposed Amendment No. 3 for **Long Beach Workforce Development Bureau**
(www.longbeachworkforce.org)

CONTRACTOR:

- Multiple Employer: Workforce Investment Board
- Training Project Profile: Retraining: Companies with Out-of-State Competition
                                                                    SET Workers Earning at Least State Average Hourly Wage
- Legislative Priorities: Promotion of California's Manufacturing Workforce
- Type of Industry: Various Industries
- Repeat Contractor: Yes
- Union Representation: No
- Name and Local Number of Union
  representing workers to be Trained: NA

CONTRACT:

- Program Costs:

Present Program Costs:	$444,000
Amendment Program Costs -:	$0
Total Program Costs:	$444,000

- Multiple Employer Support :

Present Contract Support (8 %):	$30,720
Amendment Support (8 %):	$-21
Total Support :	$30,699

- Substantial Contribution:

Present Contract Contribution:	$0
Amendment Contribution -:	$0
Total Contributions:	$0

- Total ETP Funding: $474,699
- In-Kind Contribution: $500,000
- Maximum Contractor Charge: 0 per trainee
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide
- Duration of Agreement: 24 months

ACTIVE PROJECTS:

The following are current project statistics:

Agreement No.	Term	Agreement Amount	Number To be Retained	Number Enrolled	Number Completed Training	Number Hired (Complete for new hires only)	Number retained for 90 days
ET02-0213	12/31/01-12/30/03	$474,720	300	74	47	N/A	13*
ET02-0214	12/31/01-12/30/03	$458,017	700	333	168	N/A	73*

Contractor expects to retain approximately 90% for both of the above projects. For ET02-0213, the Contractor has had trouble recruiting participating employers who have 100 employees or less. This proposed Amendment is expected to alleviate that problem.

NARRATIVE:

This project utilizes funds from the $10 million targeted by the Panel at its June 2001 meeting to support the Employment Development Department's Information Technology (IT) or Techforce initiatives. Training for trainees in Job Numbers 1 through 4 is funded under regular retraining funds for companies facing out-of-state competition. Training for trainees in Job Numbers 5 through 8 is funded by Special Employment Training (SET) funds as allowed under Unemployment Insurance Code, Section 10214.5 (a)(1). These funds support training for frontline workers in occupations that pay the state average hourly wage in businesses difficult to serve under the Panel's standard project format.

This Amendment is being requested to make this TechForce Agreement more workable. The Contractor proposes to:

- Increase the small business requirement from companies with less than 100 employees to companies with less than 250 employees, as stated in Regulation 4400 (w). The Contractor contends that it is virtually impossible to assemble enough trainees who have common training needs in Information Technology from businesses with less than 100 employees in one classroom. Through marketing efforts, the Contractor discovered that a number of companies interested in this TechForce training are companies that have between 100-250 employees. By increasing the scope of employers to 250, the Contractor will meet the demands of a wider range of small companies and increase its market base. In addition, employers with 100-250 workers are more likely provide the facilities for the training as well as employ more workers with the common need for IT training. If the requirement is changed from 100 to 250 workers, the Contractor agrees to change the ratio of trainer to trainees for class/lab training from 1:20 to 1:15.

- Create four new Job Numbers 9 through 12 to provide additional training to those trainees who have already completed ETP-funded training and the 90-day retention period. Trainees will need either an additional 80 hours or 120 hours of training for both regular funded and SET-funded training. Some trainees need to receive as much as 240 hours of training to be able to meet the requirements for specific Information Technology training. The Contractor proposes to reduce the number of trainees in Jobs 2, 3, and 7 to create slots for the new Job Numbers. The slots in Jobs 4 and 8 are increased in order to meet the demand for Microsoft Windows System Administration training.

NARRATIVE: (continued)

- Revise the curriculum to reflect two separate modules for the Microsoft Windows System Administration, Part 1 and Part 2. This is needed to differentiate between the two levels at which training is given, one being a beginning level and one at an intermediate level.

- Add Manufacturing Resource Planning (MRP) under the heading "Industries Software End User" training to the curriculum. The Contractor states that it is important to expand the current training in industry specific end user applications because these applications will enable businesses within specific industries to operate more efficiently. Industries Software End User (or MRP) training will be limited to trainees from companies with under 100 employees in order to be reimbursed at the $20 per hour reimbursement rate, and training will be delivered at a ratio of 1:20, with training conducted off-site if necessary. These classes will be comprised of trainees from a single employer. In order for Industries Software End User training to be effective, it is necessary to include a greater range of occupations, which have been added to all Job Numbers. These occupations include Technical, Production, Engineering, Operations, and Customer Service Staff, as well as managers, supervisors, and leadpersons.

The Long Beach Workforce Development Bureau (LBWDB) was formed in November, 2000. It was formerly known as the Private Industry Council (PIC). In 1995, the PIC opened its first One-Stop Center in the Long Beach Airport. This site was known as the Career Transition Center (CTC). Recently, the CTC has moved to a larger facility at its current location because of its tremendous growth. The City of Long Beach has been administering publicly funded training programs since 1984 with an overall placement rate of 80 percent.

For the past fourteen years, the City of Long Beach has assisted local employers to find and/or train qualified employees for their companies. In the past four years, ETP has funded training through the City of Long Beach to provide training to the current workforce of small companies which constitute over 90 percent of the business entities in Long Beach.

This project is designated to provide advanced information technology skills to workers employed at small companies. The curriculum includes network management, Information Technology Management, software management, programming languages, project management, Wide Area Network (WAN) engineering, system administration for both Microsoft and UNIX systems, WEB and Internet systems engineering and design, and E-commerce security systems.

Employer Demand

The basis of this retraining effort is EDD labor market information and the Governor's Information Technology Initiative which supports high demand for employees skilled in information technology. This retraining need is especially critical for small companies that often lack the resources to develop and implement training for only one or two workers at a time. In order for these small businesses to survive in the current economy, it is vital that the skills of their workers remain competitive with state-of-the-art computer technology.

By assessing each participating employer's training needs and bringing employers together with similar needs, LBWDB is able to link multiple small businesses with qualified training organizations to deliver comprehensive and customized training programs during work hours. Employers are recruited and identified through the partnership of the Workforce Development Board, the Employment Development Department, and the respective Chamber of Commerce.

NARRATIVE: (continued)

This is a demonstration project to determine if training employees of small companies at the vendor site will increase small business participation and access to ETP retraining funds and provide greater opportunities for classroom/laboratory information technology training to a large number of small employers and their workers.

Supplemental Nature of Training

Each participating employer must complete a Certification Statement outlining the supplemental nature of the training, the employer's commitment to training, and their in-kind contribution. The Contractor serves small businesses which have been unable to provide state-of-the-art computer skills training to their employees because of limited resources, the high cost of training only one or two employees, and the inaccessibility of customized training. Thus, this training is supplemental.

In-Kind Contribution

The employer in-kind contribution is approximately $500,000 which is comprised of trainee wages while in ETP-funded training.

COMMENTS:

The Contractor expects to train 35 managers and supervisors in Job Numbers 1-4, 9, and 11 out of a total number of 185 trainees.

PROPOSED ACTION:

Staff recommends that the Panel approve the Amendment based on the Long Beach Workforce Investment Bureau's ability to provide training to current workers of small companies.

TRAINING PLAN:

Grp/ Trainee Type	Types of Training	No. Retain	No. Class/Lab Videocnf. Hrs	No. CBT Hrs	No. SOST Hrs.	Cost per Trainee	Hourly Wage after 90 days
Job Numbers 1-12 Retrainee	Computer Skills	271	40-120	0	0	$855-$2,566	*$10.66-$50.00

Range of Hourly Wages *$10.66-$50.00	
Prevalent Hourly Wage $13.20	
Average Cost per Trainee $1,752	

Health Benefit used to meet ETP minimum wage:	**Turnover Rate**	**% of Mgrs & Supervisors to be trained:**
Employer paid health benefits may be added to the trainee's wages in Job Numbers 1-4, **9, and 11** to meet the ETP requirement for Los Angeles and Orange Counties of $11.54 per hour and to meet the ETP requirement for San Diego County of $10.66 per hour. Job Numbers 5-8, **10, and 12** to meet the ETP requirement of $19.24 per hour for SET projects.	Not to exceed 20%	**13%**